

97-02440

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Return To: Rancho El Sereno Homeowner's Association
64915 Valeview Drive, Bend, Oregon 97701

ARTICLES OF ASSOCIATION OF
RANCHO EL SERENO HOMEOWNER'S ASSOCIATION
(RESHA)

ARTICLE I: Name of the Association:

- A. The name of the Association shall be RANCHO EL SERENO HOMEOWNER'S ASSOCIATION (RESHA).

ARTICLE II: Purposes:

- A. This Association is formed by the homeowners and property owners of Rancho El Sereno for the purpose of providing for maintenance and repair, including snow removal, of sub-division roads, and for the efficient and proper distribution and maintenance of the well and distribution system for domestic water to the homes located within the boundaries of the sub-division known as Ranch El Sereno; for the acquiring such title of property, machinery and equipment as may be necessary to effectuate the foregoing general purposes; and for the purpose of operating and maintaining such system in orderly, equitable and reasonable fashion for the benefit of all home and lot owners and residents of said sub-division; to institute appropriate financial planning and accounting to assure full and sufficient financing, including the accumulation of appropriate reserves for payment of any taxes, maintenance, and equipment replacement; to select, obtain and maintain appropriate insurance for the protection of all members and officers of the association.
- B. To take all steps, execute any and all documents, and do any such actions as may be necessary and proper for the accomplishment of any of the purposes set forth in paragraph A above.
- C. This Association is organized and operated exclusively for the above stated purposes, and for other non-profit purposes, and no part of any net earnings shall inure to the benefit of any private member.

ARTICLE III: Principal office:

- A. The Principal office of the association shall be at the elected President of the time.

ARTICLE IV: RESHA Board:

- A. In furtherance of the objects described above, but not in limitation thereof, the Association shall have power to establish monthly water and road maintenance rates for members of the Association to establish suitable rates for any property owners within the sub-division who for any reason decline to join the Association; to establish first user fees and service agreements for newly developed property within the limits of the sub-division; to enter into necessary contracts of insurance and maintenance and all other contracts deemed necessary and appropriate to carrying out the purposes for which the Association has been established; to own or lease property in the name of the Association, both real and personal; to sell, transfer, replace, trade or otherwise dispose of personal property of the association so long as such transactions are for the purpose of continuation and/or

upgrading or maintenance of the sub-division roads or the water distribution system and the purposes of the organization.

- B. The office of a board member will be declared vacant when absence is from more than two (2) consecutive regular meetings without an excuse.
- C. Liability and Indemnification of the Board of Directors. The Board of Directors shall not be liable to the Association or the unit Owners for any mistake of judgment, negligence, or otherwise except for their own willful misconduct or bad faith. The Association shall indemnify and hold harmless each Director and the Officers, if any, against all contractual liability to others arising out of contracts made by the Board Agent on behalf of the Association unless any such contract shall have been made in bad faith or contrary to the provisions of the Declaration filed herewith or of these By-laws. Each Director and the Officers, if any shall be indemnified by the Association against all expenses and liabilities, including attorney's fees, reasonably incurred or imposed upon them in connection with any proceeding to which they may be a party, or in which they may become involved, by reason of being or having been a Director or Officer and shall be indemnified upon any reasonable settlement thereof. However, there shall be no indemnity if the Director or Officer is adjudged guilty of willful nonfeasance, misfeasance, or misfeasance in the performance of his/her duties.
- D. General:
 - (1) Within 90 days after the end of the fiscal year, the board of directors shall distribute to each owner and, upon written request, any mortgagee of a lot, a copy of the annual financial statement consisting of a balance sheet and income and expenses statement for the preceding year.
 - (2) The association shall maintain a copy, suitable for the purposes of duplication, of the following:
 - (a) The bylaws, articles of association, association rules and regulations and any amendments or supplements to them.
 - (b) The most recent financial statement.
 - (c) Current operating budget of the association.
 - (3) Within 14 days after receiving a written request from a member or prospective purchaser the association shall make available for examination and duplication during reasonable hours, the bylaws, articles of association, association rules and regulations, any amendments, supplements, recent financial statement, current operating budget and annual financial statement for preceding year.
 - (4) The Association may charge a reasonable fee for furnishing copies of any documents, information or records.

ARTICLE V: Membership:

- A. Member: Every beneficial property owner of property in the Rancho El Sereno Subdivision, as distinguished from a Security Owner who signs these Articles shall be entitled to become a member of the Association, and upon payment of such annual dues, fees and assessments as shall be established by the Board of Directors, shall become a member of the Association. In construction the provisions of this paragraph, beneficial owners shall include the owner of any unit or any lot in the above described subdivision that has been re-subdivided. In the event of sale of property within the subdivision on a land sales contract, the

"beneficial owner", for purposes of this agreement shall be deemed to be the purchaser or vendee under such contract.

- B. Membership in the Association shall terminate upon any member ceasing to be a beneficial owner of a residential building site or unit in or on the property described herein, or upon failure to pay the annual dues or assessments for a period of sixty (60) days from the date of the assessment.
- C. All members shall comply with, and be bound by, the Articles of Association and the By-laws of the Association adopted by the Membership.
- D. Each tax lot has one (1) vote regardless of how many owned (41).

ARTICLE VI: Meetings:

- A. Annual Meeting: There shall be an Annual meeting of the Association held on the third Wednesday in April of each year, at 7:30 P.M. at the Three Sisters School, unless otherwise ordered by the Board of Directors. Such meeting shall be for the purpose of electing officers, receiving reports, and transacting such other business as shall be necessary or appropriate for the orderly conduct of the business affairs of the association. In accordance with ORS 94.650 the following applies. Not less than 10 or more than 50 days before any meeting called under this section, the secretary or other officer specified in the bylaws shall cause notice to be hand delivered or mailed to the mailing address of each lot or to the mailing address designated in writing by the owner, and to all mortgagees that have requested such notice. Mortgagees may designate a representative to attend a meeting called under this section. The notice shall state the time and place of the meeting and the items on the agenda, including the general nature of any proposed amendment to the declaration or bylaws, any budget changes or any proposal to remove a director or officer.
- B. Assessment: In the event that additional assessments from members will be required for any reason in connection with the conduct of the affairs of the Association, notice of any such proposed additional assessment shall be given in writing no less than 10 days in advance of any meeting at which such assessment shall be presented for approval.
- C. Special Meetings: Special meetings of the association may be called for good purpose by the President, with approval of the Board of Directors, or a quorum (33 1/3%) of homeowners.
- D. Quorum: For the purpose of a quorum at any meeting of this association, following mailing of written notice to all members at their last known address, attendance in person or by proxy of thirty-three and one third percent (33 1/3%) of the membership of the association, shall constitute a quorum, and in case there is less than such number, the presiding officer may adjourn such meeting from time to time, until a quorum is present.
- E. Proxies: A member may vote in person or by Proxy executed in writing and filed with the President. It will terminate one year from date signed, unless a shorter time is specified or upon termination of Membership.

ARTICLE VII: Officers & Directors:

- A. The Board of Directors is made up of the four elected officers and the five elected directors, which make total nine.
- B. Elective Officers: The elected officers of this Association shall be President, Vice President, Secretary, Treasurer. Other offices and officers may be established and

appointed by the members of the Association at the regular annual meeting or any special meeting called for such purpose.

- C. No board member or officer of the Rancho El Sereno Homeowners may use his/her position or responsibility with this Association to further his/her own personal benefit. No litigation may be conducted without the full consent of the Officers and a majority vote of the full Association.

ARTICLE VIII: Amendments to the Articles:

- A. These Articles may be amended or repealed, in whole or in part, by a majority vote of the members at any duly organized and called meeting of the association.

ARTICLE IX: Amendments to By-laws:

- A. The By-laws of the Association may be amended or repealed in whole or in part in the manner provided therein, and the amendments to the By-laws shall be binding on all members, including those members who may have voted against them.

ARTICLE X: Distribution of property on Dissolution

- A. In the event of Dissolution of this Association, its property shall be distributed as follows: 80% vote of the membership to determine distribution in accordance with ORS statutes.

Approved by the membership at the annual meeting conducted April 17, 1996 by a majority vote. Approved by legal counsel, Mr. Thomas Vincent Bryant Jr., on December 16, 1996.

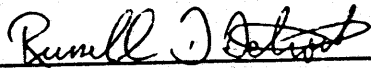


Ron Wheeler
RESHA President

State of OREGON

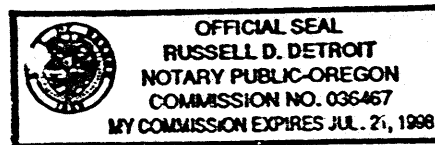
County of Deschutes

Signed or attested before me on 01-24, 1997 by Ron Wheeler



Notary Public - State of Oregon

My Commission expires: July 21, 1998

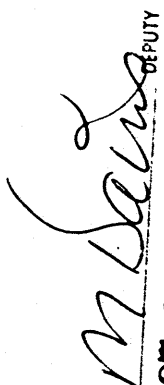


STATE OF OREGON)
COUNTY OF DESCHUTES) SS.

I, MARY SUE PENHOLLOW, COUNTY CLERK AND
RECORDER OF CONVEYANCES, IN AND FOR SAID
COUNTY, DO HEREBY CERTIFY THAT THE WITHIN
INSTRUMENT WAS RECORDED THIS DAY:

97 JAN 24 AM 9:16

MARY SUE PENHOLLOW
COUNTY CLERK

BY:  DEPUTY
NO. 97-02440 FEE 20
DESCHUTES COUNTY OFFICIAL RECORDS